

Press Release

HARFORD COUNTY GOVERNMENT

Office of the County Executive



PUBLIC SAFETY

"Ensuring a Safe
Harford"

EDUCATION

"Preparing Now,
Building for the Future"

EFFICIENCY IN GOVERNMENT

"Governing Smarter"

ECONOMIC OPPORTUNITY

"Growing and Sustaining
Harford's Prosperity"

ENVIRONMENTAL STEWARDSHIP

"Protecting Our
Environment"

QUALITY LIVING

"Safeguarding What is
Important to Harford
County Citizens"

FOR IMMEDIATE RELEASE: May 29, 2012

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Statement by County Executive David R. Craig in Response to Criticism of Decision to Withdraw Legislation to Offer Pay Bonus to Teachers and County Employees

(Bel Air, MD) - - County Executive David R. Craig today issued the following statement in response to criticism regarding his decision to withdraw legislation that would have provided a second \$625 one-time pay bonus to teachers and other county employees:

"Many teachers and county employees are understandably upset because of the actions we have been forced to take in withdrawing the bonus legislation to fund our new obligation to fund teachers' pensions. I share your frustration, and I truly wish that more teachers and public employee unions had been vocal in their opposition to the Governor's plan to shift teacher pension costs to county governments when the issue was being debated in Annapolis. Money that could have been earmarked down the road by the school system for permanent raises or step increases must now go to paying for the portion of teacher pensions that used to be funded by the State of Maryland.

As a result of the General Assembly shifting teacher pension costs to county governments during the recent Special Session, we find ourselves responsible to pay \$5.5 million next year into a pension system in which we still have no control, to fund pensions that we had no role in negotiating. Nonetheless, this mandate cannot be ignored and must be paid for by the taxpayers of Harford County. The annual impact to Harford County will rise to approximately \$10.3 million by FY 2016.

(more)

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Page Two

Some have pointed to the so-called “offsets” attached with the shifting of teacher pension obligations to counties. These offsets, however, are merely estimates, and for the most part are optimistic, dubious, and unreliable. To balance a budget based on these at this late date would be fiscally irresponsible, and would potentially undo years of prudent financial management, which have resulted in Harford County achieving the AAA bond rating that saves taxpayers millions of dollars annually.

Others have suggested that both the cost of teachers’ pensions and bonus can be paid for using funds from the County’s surplus. Once funds that have been reserved or are restricted, or that have been allocated for necessary capital improvements are accounted for, however, there would not be sufficient funds left in reserve to meet the teacher pension obligation after granting the bonus.

While the Governor and the Maryland General Assembly reduced funding to Harford County Public Schools by \$3.9 million this year, we funded above our Maintenance of Effort by \$1 million. In fact, I have funded education in excess of Maintenance of Effort every year I have been County Executive. While other counties in Maryland receive millions of dollars in additional funds annually from the state because they meet certain criteria, Harford County receives no such state assistance. Furthermore, over the last seven years we fulfilled our commitment to students and teachers by building and renovating schools across the county, a significant expense for which the state has reimbursed us for less than one-quarter of the total cost.

Local governments did not create the fiscal problems for this state; however, in addition to balancing our own budgets, it’s now become common practice in Maryland that counties have the responsibility of balancing the state budget as well. As County Executive, I along with the Harford County Council am required to pass a balanced budget to meet the needs of the citizens of Harford County while acting as good stewards of taxpayers’ money. We take this responsibility seriously and do so without “passing the buck” on to others to take care of. These are tough decisions that require prudent and responsible leadership. The state has failed to lead, so it is now my responsibility to do so on this issue.”